

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0441-01
Bill No.: SB 353
Subject: Economic Development Department; Elementary and Secondary Education
Department; Social Services Department.
Type: Original
Date: February 28, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	(Up to \$225,000)	(Up to \$225,000)	(Up to \$225,000)
Total Estimated Net Effect on General Revenue Fund	(Up to \$225,000)	(Up to \$225,000)	(Up to \$225,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
None			
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Higher Education, Office of the State Treasurer, Department of Elementary and Secondary Education, Department of Conservation** and the **Department of Labor and Industrial Relations** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Department of Social Services** assume that since participation by project sponsors is voluntary, there is no fiscal impact to their agency, unless it chooses to participate. In such case, the number of participants and the wages paid would determine costs.

Officials from the **Office of Secretary of State (SOS)** assume there would be costs due to additional publishing duties related to the Department of Economic Development's authority to promulgate rules, regulations, and forms. SOS estimates the division could require approximately 16 new pages of regulations in the Code of State Regulations at a cost of \$27.00 per page, and 24 new pages in the Missouri Register at a cost of \$23.00 per page. Costs due to this proposal are estimated

ASSUMPTION (continued)

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to be \$984, however, the actual fiscal impact would be dependent upon the actual rule-making authority and may be more or less. Financial impact in subsequent fiscal years would depend entirely on the number, length, and frequency of the rules filed, amended, rescinded, or withdrawn. SOS does not anticipate the need for additional staff as a result of this proposal, however, the enactment of more than one similar proposal may, in the aggregate, necessitate additional staff.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Economic Development, Division of Workforce Development (DWD)** state this legislation will require coordination between the Division, colleges and universities, not only in Missouri, but throughout the United States. Mailings to promote the program, as well as travel for promotional purposes will be required on an annual basis. Local boards will have to be involved in the program in order to obtain employers in their area that are willing to participate in the program.

DWD assumes that a Workforce Development Specialist IV (at \$34,644 per year) would be used to coordinate the program. They would be responsible for marketing, travel, coordination of services with local boards and other agencies, and any other responsibilities as needed. DWD also assumes one half of an FTE Office Support Assistant (\$16,980 annually) would be needed to provide all clerical duties.

DWD also assumes the need of one quarter of an FTE Community and Economic Development Manager (at \$39,768 annually) to oversee the administration of the program and provide any additional travel and marketing services as required, as well as one quarter of an FTE Accountant (\$24,132 annually) for processing all reimbursements to providers for participant costs.

Oversight assumes the bulk of the work and expense for the CAES program would reside with the host institution of higher education and not with the Department of Economic Development. Therefore, Oversight assumes DWD would be able to absorb any additional duties and costs arising from this proposal with existing resources.

Oversight has not reflected the cost of the participant's earnings to be paid by the project sponsors, which could be state agencies, any unit of local government, corporations, organizations, administrative

ASSUMPTION (continued)

agencies, and community-based organizations. Participation in the program is voluntary, so Oversight has not reflected the potential sponsor costs on the fiscal note.

Officials from the **University of Missouri (UM)** state that if they become the appropriate host institution for the CAES program, they would incur approximately \$225,000 in additional costs. UM states these costs would include personnel, including a director and staff as well as support personnel on each campus, as well as extensive travel and publicity costs.

Oversight assumes the University of Missouri will be the “appropriate host institution of higher education” that will work in conjunction with the Department of Economic Development on this program. There is currently a similar program sponsored by the University of Missouri - St. Louis for St. Louis area companies. Oversight assumes the University of Missouri may be able to host the state-wide CAES program for an amount less than \$225,000, therefore, have reflected the potential cost to the University of Missouri of “Up to \$225,000.”

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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GENERAL REVENUE

Costs - University of Missouri

Personnel, travel and publicity costs associated with the CAES program	<u>(Up to \$225,000)</u>	<u>(Up to \$225,000)</u>	<u>(Up to \$225,000)</u>
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ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(Up to \$225,000)</u>	<u>(Up to \$225,000)</u>	<u>(Up to \$225,000)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

This proposal would impact small business that choose to participate in the Collaborative for Applied Experiences in Science program.

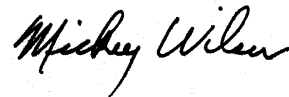
DESCRIPTION

This proposal establishes the "Collaborative for Applied Experiences in Science" (CAES) program, for the purpose of increasing the statewide potential scientific and technical workforce by identifying, recruiting, and retaining talented in-state and resident out-of-state undergraduates. To achieve this end, CAES will: develop a summer employment program emphasizing the development of research and technical skills in the fields of science, mathematics, computer science, and engineering; provide mechanisms for retaining high potential students; introduce students to the potential career opportunities within the state; facilitate employer access to a highly select talent pool; and keep collegiate-level students from Missouri who attend national and regional universities informed about career opportunities in the state.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
Department of Labor and Industrial Relations
Department of Social Services
Office of the Secretary of State
University of Missouri
Missouri Department of Conservation
Department of Higher Education
Department of Elementary and Secondary Education
Office of the State Treasurer



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